



Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project

Final decision reasons paper

2 April 2026



Associated documents

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20 November 2024	ISSN: 1178-2560	Electricity Distribution Services Default Price-Quality Path Determination 2025
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Overview of Wellington Electricity’s application and our final decision

1. This paper sets out our final decision on Wellington Electricity’s application to reopen and amend its 2025-2030 default price-quality path (DPP4 price path) for its Central Park 2 project.¹
2. Wellington Electricity is the electricity distribution business (EDB) responsible for managing the local lines network that delivers electricity to approximately 176,000 homes and businesses in the Wellington region.²
3. Wellington Electricity applied to us to reopen its price path to allow it to recover additional revenue from its consumers. It requires the additional revenue to cover \$11.543 million in costs to reconfigure its network to connect to Transpower’s proposed new Central Park 2 substation to address a key resilience risk.³
4. Our final decision is to approve Wellington Electricity’s reopener application in full, allowing its DPP4 price path to be reopened and amended so it can recover an additional \$1.497 million from consumers.⁴ The \$1.497 million is the revenue impact of the \$11.543 million costs (or more accurately, new Central Park 2 assets that will be commissioned and added to the regulatory asset base).⁵
5. Our final decision is the same as our draft decision. We published our draft decision on 16 December 2025.⁶ We received two submissions on our draft decision, both in support.⁷

¹ See [Wellington Electricity reopener application](#) and supporting documents available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under ‘Active DPP4 Reopeners’- ‘Wellington Electricity unforeseeable large project reopener 2025’)

² [Wellington Electricity website](#).

³ See [Wellington Electricity reopener application](#) and supporting documents available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under ‘Active DPP4 Reopeners’- ‘Wellington Electricity unforeseeable large project reopener 2025’)

⁴ See Table 1 in this paper for a summary of our final decisions.

⁵ The \$1.497 million is the sum of the return on capital invested, and recovery of capital invested (through depreciation allowances) for the remainder of the DPP4 regulatory period.

⁶ Commerce Commission, [Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project – Draft decision reasons paper](#), (16 December 2025).

⁷ We received submissions from Wellington Electricity and Aurora Energy. Both submissions are published alongside this final decision.

6. This paper sets out Wellington Electricity’s application and our final decision. The detailed analysis of the reopener application against the criteria and our decision-making process is contained in Attachments A to D of the draft decision reasons paper.⁸ As our final decision and the rationale supporting the decision is the same as our draft decision, we have not repeated that analysis here but referred back to the relevant sections in the draft decision reasons paper. The final amendment determination, financial model and submissions received on our draft decision are published alongside this paper.⁹
7. In assessing this reopener, we have reflected on the timing of reopener applications and how this impacts cost uncertainty and accuracy of estimated costs. EDBs contemplating future reopener applications should consider engaging with us on the timing of when they should apply - especially if the reopener values (amounts applied for) contain material cost uncertainties. In those circumstances, we may take a different approach, ie, we may suggest EDBs reapply when costs are more certain.

Context for Wellington Electricity’s reopener application – Central Park substation resilience risk

8. Transpower’s existing Central Park substation, which Wellington Electricity’s network connects into, is exposed to multiple risks such as fire and earthquakes.¹⁰ One of those multiple risks materialising could lead to prolonged major outages for around 50,000 Installation Control Points (ICPs) in the central Wellington region.¹¹
9. The Wellington Lifelines Group undertook the Regional Resilience Project in 2019 (Lifelines project), which modelled the economic impacts of infrastructure outages in the event of a significant earthquake.¹² The Lifelines project identified a \$3.9 billion preferred programme of investments to reduce outages and economic disruption resulting from earthquakes and other hazards in the Wellington region.¹³ The Central Park Transpower substation was part of this preferred programme.¹⁴

⁸ Commerce Commission, [Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project – Draft decision reasons paper](#), (16 December 2025).

⁹ These documents are available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under ‘Active DPP4 Reopeners’ - ‘Wellington Electricity unforeseeable large project reopener 2025’ - ‘Final decision’).

¹⁰ Wellington Electricity, [2025 Asset Management Plan](#), (1 April 2025), p. 287.

¹¹ [Wellington Electricity, DPP4 reopener application - Central Park 2 Connection Project, August 2025](#), page 4.

¹² [Wellington Lifelines Regional Resilience Project "Protecting Wellington's Economy Through Accelerated Infrastructure Investment Programme Business Case" 4 October 2019](#), Executive Summary pp iv-v.

¹³ Ibid, page iv.

¹⁴ Ibid.

10. The Lifelines project assessed the economic benefit at a programme level rather than at an individual project level. It estimated that without the preferred investments, the region could lose about \$16 billion in GDP over five years.¹⁵ If the investments are made, that loss reduces to \$10 billion.¹⁶
11. The Central Park Transpower substation was included as a preferred investment in the Lifelines project at an estimated \$40 million cost. This includes:¹⁷
 - 11.1 the construction of a second grid exit point and second substation (Central Park 2 Transpower substation) by Transpower, near its existing Central Park substation; and
 - 11.2 new 33kV cable connections and redistribution of assets to the Central Park 2 Transpower substation by Wellington Electricity to reduce single-point-of-failure risk (Central Park 2 project).
12. Wellington Electricity's Central Park 2 project will reconfigure its 33kV network to connect to both Transpower substations, ie, Central Park and Central Park 2.¹⁸ This will enable alternative electricity supply arrangements for the 50,000 ICPs in the central Wellington region, reducing the risk of prolonged outages.¹⁹
13. The cost of Transpower's proposed Central Park 2 substation, which likely makes up the majority of the overall Central Park investment, will also be paid for by Wellington Electricity's customers through transmission line charges on their future bills.

Wellington Electricity's Central Park 2 reopener application

14. The input methodologies (IMs) allow for EDBs to apply to us for additional revenues during the default price-quality path (DPP) regulatory period for unforeseeable large projects with a resilience capital expenditure (capex) cost driver. This is called an 'unforeseeable large project reopener'.²⁰

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid, Section 7.2.6 page 35.

¹⁸ [Wellington Electricity, DPP4 reopener application - Central Park 2 Connection Project, August 2025](#), Section 3 page 5.

¹⁹ Ibid.

²⁰ [Commerce Commission "Electricity Distribution Services Input Methodologies \(Reopeners and Other Matters\) Amendment Determination 2025 \[2025\] NZCC 5" \(27 March 2025\)](#), clause 4.5.9.

15. Wellington Electricity applied to us for an unforeseeable large project reopener on 3 September 2025 seeking additional revenue to address its resilience risk at Central Park.²¹ If we accept this meets the applicable criteria for an unforeseeable large project (resilience capex) reopener, we can decide to amend Wellington Electricity's DPP4 price path and allow it to recover additional revenue from its consumers. Wellington Electricity did not apply for its quality standards and quality incentive measures to be amended.
16. Wellington Electricity applied for \$11.543 million to cover the value of assets that will be commissioned (value of commissioned assets or VCA) on the Central Park 2 project.²² The project is scheduled for commissioning by July 2028 (disclosure year DY29 / Year 4 of DPP4).²³
17. Wellington Electricity expects to recover this amount from consumers through a 0.4% per year increase in lines charges. It estimates this will see the average residential monthly electricity bill increase by 20 to 40 cents per ICP.²⁴
18. Wellington Electricity's reopener application is based on Transpower's draft engineering design for its Central Park 2 substation. In its application, Wellington Electricity stated that Transpower's draft design allowed it to assess the investment required within its network to connect to the proposed new Central Park 2 Transpower substation for the purpose of this reopener application.²⁵ Wellington Electricity has aligned the timing of its detailed design work for Central Park 2 with Transpower's detailed design indicative timelines.²⁶

Feedback on our draft decision

19. Submissions on our draft decision closed on 16 January 2026. We received two submissions from Wellington Electricity and Aurora Energy.²⁷
20. Both submissions supported our draft decision. Wellington Electricity stated:²⁸

We endorse the Commission's draft decision in full. By applying the reopener mechanism as intended—only when clear need and prudence are demonstrated—the Commission reinforces trust in the regulatory framework and promotes balanced investment.

²¹ Wellington Electricity notified us in writing in accordance with clause 4.5.2 of the [Commerce Commission "Electricity Distribution Services Input Methodologies \(Reopeners and Other Matters\) Amendment Determination 2025 \[2025\] NZCC 5" \(27 March 2025\)](#). We published a notice on [our website](#) on 4 September 2025 that a reopener event had been nominated.

²² [Wellington Electricity, DPP4 reopener application - Central Park 2 Connection Project, August 2025](#), Table 2 page 4.

²³ Ibid, Table 4 page 7.

²⁴ Ibid, Section 5 pp 7-8.

²⁵ Ibid, Section 2 page 5.

²⁶ Ibid, page 6.

²⁷ These submissions are being published alongside this final decision reasons paper.

²⁸ Wellington Electricity, Submission on the Central Park 2 reopener draft decision, p.3.

21. We took account of the feedback provided in these submissions in reaching our final decision.

Our final decision is to reopen and amend Wellington Electricity's DPP4 price path, accepting the full cost applied for

22. Our final decision is made under section 52P of the Commerce Act 1986 (the Act). Our final decision is the same as the draft decision and is as follows:

- 22.1 that Central Park 2 qualifies as an unforeseeable large project (resilience capex) reopener;²⁹
- 22.2 to accept all \$11.543 million as the VCA for the Central Park 2 project;
- 22.3 to reopen Wellington Electricity's DPP4 price path and amend the price path by \$1.497 million for DY27-30;^{30, 31} and
- 22.4 that Wellington Electricity will be able to recover the additional revenue in prices from DY27 onwards.

23. The application and final decision are summarised in Table 1.1 below.

²⁹ Commerce Commission, "[Electricity Distribution Services Input Methodologies \(Reopeners and Other Matters\) Amendment Determination 2025 \[2025\] NZCC 5](#)" (27 March 2025), clause 4.5.9. See Commerce Commission, "[Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project – Draft decision reasons paper](#)", (16 December 2025), Table B1 on page 13 for full analysis.

³⁰ The price path amendment of \$1.497 million DY27-30 is the total increase in revenue over the DPP4 period. Although the assets resulting from the proposed \$11.543 million will not be commissioned until July 2028 (DY29), the revenue impact of the \$11.543 million of VCA is smoothed over the remaining years of the regulatory period for which prices have not yet been set, ie from DY27 onwards.

³¹ The \$1.497 million is the revenue impact of the \$11.543 million costs (or more accurately, new Central Park 2 assets that will be commissioned and added to the regulatory asset base). The \$1.497 million is the sum of the return on capital invested, and recovery of capital invested (through depreciation allowances) for the remainder of the DPP4 regulatory period.

Table 1.1 Summary of Wellington Electricity’s application and our final decision³²

Reopener type	DPP4 Unforeseeable large project (resilience capex) reopener
Application link	Wellington Electricity unforeseeable large project reopener application (Central Park 2)
Unforeseeable large project (resilience capex) reopener	The Central Park 2 project meets the applicable criteria to qualify as an unforeseeable large project (resilience capex) reopener. ³³
Materiality threshold	The materiality threshold has been met. Central Park 2’s relevant expenditure (forecast VCA) is \$11.543 million, which exceeds the \$2.5 million materiality threshold. ³⁴ The materiality threshold has been assessed on the basis of costs presented in the application. ³⁵
Final outcome	Reopening Wellington Electricity’s DPP4 price path and amending it by \$1.497 million, recoverable from DY27 onwards.
Estimated consumer bill impact	For Wellington Electricity’s approximately 176,000 ICPs (projected to be 188,000 by DY29), we estimate that the additional approved revenue (as a result of the final decision) averages to about 20 cents per ICP per month. ³⁶ This aligns with Wellington Electricity’s estimated 20 to 40 cents per ICP per month. ³⁷

24. We have made this decision because we are satisfied that:

- 24.1 Central Park 2 meets the requirements of an unforeseeable large project (resilience capex) reopener as set out in the IMs; and
- 24.2 reopening and amending the price path in these circumstances is in the long-term interest of consumers and would promote the s52A purpose of Part 4 of the Act.

³² For the full analysis see our draft decision - Commerce Commission, “[Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project – Draft decision reasons paper](#)”, (16 December 2025).

³³ [Commerce Commission "Electricity Distribution Services Input Methodologies \(Reopeners and Other Matters\) Amendment Determination 2025 \[2025\] NZCC 5" \(27 March 2025\)](#), clause 4.5.9. See Commerce Commission, “[Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project – Draft decision reasons paper](#)”, (16 December 2025), Table B1 on page 13 for full analysis.

³⁴ Ibid, clause 4.5.9(1)(i) and (3)

³⁵ In exercising our discretion to reconsider the price path, we reserve the right to reject applications where our scrutiny of the accepted costs demonstrates that an objective assessment of the cost presented would not have met the materiality threshold.

³⁶ To calculate the consumer bill impact, we have used ICP data from Wellington Electricity’s information disclosures. The 176,000 ICPs quoted elsewhere in this paper is for DY26. The 188,000 reflects Wellington Electricity’s forecast number of ICPs for DY30, the last year of the DPP4 period.

³⁷ Wellington Electricity estimated that monthly bills for consumers would increase by 20 to 40 cents per ICP. Our calculated estimate is at the lower end of that range. Wellington Electricity’s calculation was done in late 2024 so it presented the bill impact as a range instead of an absolute value to allow for higher cost uncertainties which would have existed then.

25. Allowing Wellington Electricity to recover costs for the Central Park 2 project promotes the s52A(1)(a) and (b) limbs of the Part 4 purpose of the Act.³⁸ It incentivises Wellington Electricity to invest in its network ahead of time to address a key resilience risk,³⁹ so that it can minimise the impact of future outages, meeting consumer expectations on quality of service.⁴⁰
26. We have accepted and approved the full costs for Central Park 2 as applied for because we consider the project is prudent and efficient. Our assessment of prudence and efficiency is in Attachment B (Table B1) and Attachment D (Table D1) of the draft decision reasons paper.⁴¹

Our assessment of Wellington Electricity’s application

27. We have assessed Wellington Electricity’s application to amend its DPP4 price path, and made our final decision, in accordance with the Electricity Distribution Services Input Methodologies (Reopeners and Other Matters) Amendment Determination 2025 currently in effect for the DPP4 regulatory period.⁴²
28. To enable the assessment of the application, we needed to ask Wellington Electricity for additional information. It provided more details on the development of project costs, timing of spend, supporting information for its assessment of the resilience risk, dependency and impacts of Transpower not yet finalising its design, its options analysis, evidence of review and reprioritisation of expenditure, and its engagement with consumers and stakeholders.⁴³
29. The regulatory framework and assessments underpinning our final decisions are detailed in the attachments of our draft decision reasons paper, as summarised below.
 - 29.1 **‘Attachment A – Reconsideration framework’** sets out the regulatory requirements against which we have assessed Wellington Electricity’s application.⁴⁴

³⁸ Section 52(A)(1)(a) and (b) [Commerce Act 1986](#).

³⁹ [Commerce Act 1986](#) Section 52(A)(1)(a) have incentives to innovate and to invest, including in replacement, upgraded, and new assets.

⁴⁰ [Commerce Act 1986](#) Section 52(A)(1)(b) have incentives to improve efficiency and provide services at a quality that reflects consumer demands.

⁴¹ Commerce Commission, “[Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project – Draft decision reasons paper](#)”, (16 December 2025).

⁴² [Commerce Commission "Electricity Distribution Services Input Methodologies \(Reopeners and Other Matters\) Amendment Determination 2025 \[2025\] NZCC 5" \(27 March 2025\)](#).

⁴³ Wellington Electricity response to RFI, <https://www.comcom.govt.nz/assets/Uploads/Wellington-Electricity-RFI-Response-Wellington-Electricity-Central-Park-2-unforeseeable-large-project-25-November-2025.pdf>.

⁴⁴ Commerce Commission, “[Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project – Draft decision reasons paper](#)”, (16 December 2025), p. 9.

- 29.2 **‘Attachment B – Assessment of unforeseeable large project (resilience capex) reopener criteria’** presents our assessment of Wellington Electricity’s application against the unforeseeable large project reopener (resilience capex) criteria.⁴⁵ Our final decision is that the Central Park 2 project meets the criteria to qualify as an unforeseeable large project (resilience capex) reopener which has occurred within the DPP4 period.⁴⁶
- 29.3 **‘Attachment C – Assessment of ‘whether to amend’ criteria’** sets out our assessment of the application against the ‘whether to amend’ reopener criteria.⁴⁷ We are satisfied that Wellington’s DPP4 price path should be amended.
- 29.4 **‘Attachment D – Reopening Wellington Electricity’s price path and assessment of ‘how to amend’ criteria’** sets out how we have decided to reopen Wellington Electricity’s DPP4 price path, ie, how (what components to amend, by how much to amend and how to amend) and our assessment of the application against the ‘how to amend’ reopener criteria.⁴⁸ Our final decision is to only amend the price path and amend it by \$1.497 million over DY27-30, which is an amount not more than is reasonably necessary to mitigate the effect of the reopener on DPP4.⁴⁹
30. We have also published the following documents alongside this paper:⁵⁰
- 30.1 the final amendment determination that gives legal effect to our decision;
 - 30.2 the financial model used to calculate Wellington Electricity’s revised price path; and
 - 30.3 the two submissions received on our draft decision.

⁴⁵ Ibid, p. 12.

⁴⁶ Commerce Commission, "[Electricity Distribution Services Input Methodologies \(Reopeners and Other Matters\) Amendment Determination 2025 \[2025\] NZCC 5" \(27 March 2025\)](#), clauses 4.5.1(2) and 4.5.9.

⁴⁷ Commerce Commission, "[Reconsideration of DPP4 default price-quality path for Wellington Electricity – Central Park 2 unforeseeable large project – Draft decision reasons paper](#)", (16 December 2025), p. 17.

⁴⁸ Ibid, p. 24.

⁴⁹ Ibid, p. 29.

⁵⁰ See documents available at [Commerce Commission DPP4 and DPP3 Reopeners webpage](#) (under ‘Active DPP4 Reopeners’- ‘Wellington Electricity unforeseeable large project reopener 2025’ – ‘Final decision’).